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SUBJECT: AMBASSADOR DISCUSSES AIR SAFETY AND SECURITY WITH HELLENIC CIVIL AVIATION AUTHORITY GOVERNOR

(U) Summary: On January 18th, Ambassador called on Hellenic Civil Aviation Authority (HCAA) Governor Ioannis Andrianopoulos to discuss air safety and security, as well as the recent announcements by Continental Airlines and USAirways that they would be beginning direct service from the U.S. to Athens this summer. Ambassador also took the opportunity to praise the HCAA's accident investigation team, which recently concluded the politically sensitive investigation into the summer 2005 crash of Helios flight 122, and to discuss improved communication during U.S. Naval carrier visits (with CAP flights) and the HCAA air traffic control system. Andrianopoulos was well-versed in all the subjects discussed, open and frank in his assessments of both the distance travelled and distance yet to go on aviation security and safety in Greece, and indicated it remains his top priority to maintain the excellent rapport between his organization and all the elements of U.S. agencies and organizations with which it works. End summary.

BATA and New Routes Opening

 $\underline{\ \ }$ 2. (SBU) On January 18th, Ambassador, along with TSA attache Daniel Furlong, called on HCAA Governor Ioannis Andrianopoulos. Andrianopoulos, who has been Governor only for a few months, was the former Deputy Governor and a former Lieutenant General in the Hellenic Air Force. Andrianopoulos spoke decent, if somewhat careful, English. Ambassador opened the meeting by expressing our satisfaction with the announced entry of two new U.S. air carriers (Continental and U.S. Airways) into the Athens market. Ambassador then noted some work needed to be completed vis-a-vis route designations, and expressed his hope that the GoG was prepared to roll-over the Greek-U.S. bilateral air transport agreement (BATA) this July. Andranopoulos indicated he was not aware of any problems with renewing the agreement and concurred that the two new proposed direct routes would be beneficial for both countries.

Airport Security

13. (U) Ambassador and TSA attache then delivered a copy of TSA's investigation report of Athens International Airport,

and thanked Andrianopoulos for all the assistance his staff had provided to both the TSA team and himself over the last few months. Andrianopoulos reiterated his position that continuing to improve Greek aviation security and safety were his top two priorities as HCAA governor, and that he was at the Embassy's disposal to resolve any and all concerns that we, or any USG agency, might have. He also noted that a European IASA team was coming soon to do its own investigation of airport security measures, and that an FAA representative would be along as well. Andrianopoulos also discussed a feasibility study that had been launched to

expand the new baggage- and passenger-screening systems recently installed at the airport in Thessaloniki in six other airports, including Rhodes, Corfu, Xakinthos, Irakleon, and Santorini. He was aware that the EU had offered funding to upgrade the security systems of these airports, but that the projects must have been approved and commence by summer 2008, or this funding would be withdrawn.

Olympic Airlines

14. (SBU) Ambassador asked Andrianopoulos if he had any opinion about the future of Olympic Airlines, noting that Ministry of Finance Deputy Minister Doukas (nominally in charge of privatizing Olympic Airlines) had announced a trip to Brussels to discuss the recent Hellenic court decision awarding 520 million euro from the Greek state to Olympic for damages. (Note: this amount is coincidentally almost exactly the same amount as the EC determined Olympic Airlines owes the Greek state for repayment of illegal state aid. End note.) Andrianopoulos was surprisingly blunt: Olympic Airlines has no future, and a political solution must be found that will allow the airline to exit the market. Given Greece's need to continue to provide air service to connect the multitude of islands to the mainland, he did not feel that a single air carrier in Greece was a viable option (presumably because of monopoly pricing/competition concerns), but he indicated that a new, partially state-owned company, free of any taint of illegal State aid was the best

Regional Challenges

way forward.

15. (U) Adrianopoulos also discussed some of the challenges the HCAA faces, including Flexible Use of Airspace (FUA) and Factual Airspace Bloc (FAB) regulations being implemented by the EU, particularly as they affect commercial overflights of Greek-controlled airspace. Adrianopoulos indicated that most

western European air carriers prefer to fly directly over the Balkans on their way to the Mid-East, instead of having to fly over the Adriatic. This creates congestion and air-control hand-off concerns, and Greece has been in heavy discussions with Serbia, Bulgaria, Kosovo, and Macedonia on FAB implementation.

16. (SBU) Comment: Adrianopoulos conducted this meeting on his own, with no staff or papers, and was clearly well-versed on all the topics raised. His experience as Deputy HCAA Governor is clearly standing him in good stead as Governor and should provide us with an excellent contact on any future aviation safety or security issues that might arise. End comment.